

# The 2011 Danish National Election

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## **Zusammenfassung**

Am 15. September 2011 nahmen rekordverdächtige 88 Prozent der wahlberechtigten Dänen an den Wahlen zum dänischen Parlament, dem *Folketing*, teil. Dieser Artikel präsentiert eine kurze Zusammenfassung des Wahlkampfes. Unabhängig davon, welche Seite den Wahlkampf gewinnen würde, ein Ergebnis stand bereits vorab fest: Eine außergewöhnliche Phase dänischer Politik ging zu Ende. Nach zehn Jahren mit einer rechtsliberal-konservativen Minderheitsregierung, gestützt von der Dänischen Volkspartei, bewegte die dänische Politik sich zurück zu ihrem gängigen *modus operandi*: Zentrumsparteien bestimmen, wer Regierungschef wird. Mit lediglich einigen tausend Stimmen Vorsprung gewann der rote Block, gestützt von den Sozialliberalen, die Wahlen, und die neue Regierungschefin Dänemarks wurde die Sozialdemokratin Helle Thorning-Schmidt. In diesem Artikel werden die politische Situation vor der Wahl, der Verlauf des Wahlkampfes und das Wahlergebnis aus einer historischen Perspektive beschrieben. Außerdem geht es kurz um die Herausforderungen, der die neue Regierung gegenübersteht.

## **Abstract**

On September 15, 2011 a record-high turn-out of 88 percent of the approx. 4 million Danes eligible to vote for the Danish parliament, the *Folketing*, was reached. This paper gives a short descriptive summary of the 2011 Danish election campaign. Irrespective of which side would win the position as primeminister, one thing was given: an exceptional era in Danish politics was coming to an end. After ten years of a Right Liberal-Conservative minority government supported by the Danish People's Party, Danish politics would return to its classic *modus operandi* of centrist parties determining the prime-minister. By a margin of a few thousand votes, the red block won the elections and the new prime minister of Denmark is the Social Democrat Helle Thorning-Schmidt. This article describes the political context prior to the election campaign, the course of the election campaign, furthermore it presents the election results in a historical perspective and shortly discusses the challenges the new government is facing.

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When the now former prime minister of Denmark, Lars Løkke Rasmussen, called the 2011 elections for the Danish parliament, the *Folketing*, on August 26, it was partly expected and partly a surprise. On the one hand the prime minister did not have many options left. In principle, it is the right of the prime minister to call elections, he can do so whenever he pleases (formally, he asks the Queen to call an election).

Yet, the constitution demands parliamentary elections at the latest every four years. Since the past elections had taken place on November 13, 2007, everyone knew that Denmark would have an election within the coming weeks. On the other hand an election is typically called 20 days in advance. Therefore, calling an election on a Friday implied that the next parliamentary elections would take place on a Thursday. This is an uncommon day to pick. In a historical perspective most elections have been held on Tuesdays (elections for the European Parliament are held on Sundays).

The election was called by a prime minister in troubled waters. For months opinion polls had indicated a majority against the government. After more than a decade of economic growth and prosperity, Denmark was and still is facing severe economic challenges. Several attempts to set the political agenda – e.g. an early retirement reform and initiatives to help the sluggish real estate market – had not been as successful as the government probably wished. Moreover, the rise of a new party, the Liberal Alliance, implied that the upcoming elections would end ten years of Right Liberal-Conservative minority government supported by the Danish People's Party. When Anders Fogh Rasmussen, the predecessor of Lars Løkke Rasmussen, won the *Folketing* elections in 2001, he could form a minority government not dependent on centrist parties – which cooperate with parties from both blocks in Danish politics.<sup>1</sup> Historically, such a government formation was exceptional, only very rarely centrist parties have not been involved in government formation.<sup>2</sup>

The new Liberal Alliance is a part of the bourgeois block, the so-called blue block, so the elections could have resulted in a new Right Liberal-Conservative minority

<sup>1</sup> Kosiara-Pedersen, Karina: „The 2007 Danish General Election: Generating a Fragile Majority“. In: *West European Politics* 31 (2008:5), 1040-1048.

<sup>2</sup> Ibid.: Nannestad, Peter: „Das politische System Dänemarks“. In: Wolfgang Ismayr (ed.): *Die politischen Systeme Westeuropas*. Opladen 2003, 55-92.

government, this time supported by both the Danish People's Party and the Liberal Alliance. However, these two parties advocate policies often in clear conflict with each other. Whether or not Lars Løkke Rasmussen would succeed in regaining a majority supporting him as a prime minister, the generally smooth cooperation between the government and the Danish People's Party over the past ten years was inevitably coming to an end. In this article, I will give a short descriptive overview of the 2011 *Folketing* election campaign, the election results and possible causes, and the challenges for the new government.

This paper is organized as follows. In Section I, I present the major policy issues discussed in the 2011 election campaign. This discussion is followed by Section II on the course of the election campaign. Section III presents the overall election results and sketches some possible explanations. The subsequent Section IV provides an overview of the major challenges the new Danish government is facing, both in terms of its internal functioning and the external challenges for Denmark. In the final Section V some concluding remarks on the past and the coming years of Danish politics are provided.

## **I. The Political Discussion**

It does not come as a surprise that, in Denmark, welfare policies have been and are major political issues in all election campaigns for decades.<sup>3</sup> Denmark has some of the most generous welfare state policies worldwide. However, with the economy recovery in the 1990s, issues such as employment and the economy lost prominence, both in news coverage and in the minds of the voters.<sup>4</sup> Instead, the Danish People's Party and the Right Liberals (*Venstre*) succeeded in highlighting immigration as one of the major political issues at the end of the 90s and throughout the 00s. This issue came to be

<sup>3</sup> Hopmann, David Nicolas et al.: „The Public or Parties in the Media? A Study of Public, Party and Media Issue Agendas in Five Danish Election Campaigns“. In: *Javnost-The Public* 16 (2009: 3), 71-84.

<sup>4</sup> Ibid.

decisive in several elections.<sup>5</sup> The socialist block, the so-called red block, was seen as too weak on immigration, and the Danish People's Party formed an alliance with the bourgeois government which, after 2001, more or less continuously toughened immigration laws. Eventually, Denmark is one of the European countries with the strictest immigration laws. This implies, among other things, that several thousand foreign-married Danes are prevented from living in Denmark with their foreign spouses.<sup>6</sup>

Of course, welfare issues did not disappear from the political agenda in the 2000s, on the contrary. The booming Danish economy gave room for increasing welfare spending in numerous areas throughout most of the period. The question appeared to be how to spend extra income rather than how to redistribute limited resources. With the economic situation drastically worsening and unemployment figures rising in recent years, the welfare debate returned to its classic structure of how to redistribute resources and which areas to prioritize over others. In addition, it has gradually become clear that Danish immigration laws have become so strict that they hardly can be restricted further without violating EU regulations or the European Convention on Human Rights. Several opinion polls conducted during the election campaign demonstrated that voters did not perceive immigration to be a high-ranked policy issue anymore.

This change was an advantage for the socialist opposition in several ways.

First, the bourgeois block has clear ownership to the immigration issue, and its prominence had been a clear advantage for the blue block.<sup>7</sup>

Second, the government and its supporter, the Danish People's Party, had been in power for ten years. They had assumed office after the 1993-2001 Social Democratic-led government coalitions. In this period, the Danish economy had recovered from the recession of the early 1990s. Although the current economic challenges of Denmark

<sup>5</sup> Van der Brugge, Jimmy and Henning Voss: „Årsager til de socialistiske partiers tilbagegang i perioden 1990-2005“. In: Jørgen Goul Andersen et al. (eds.): *Det nye politiske landskab: Folketingsvalget 2005 i perspektiv*. Århus 2007, 127-151.

<sup>6</sup> Hopmann, David Nicolas: “Danmarks Ud-lændingepolitik - ‘Der er et lukket land...’”. In: *norrøna - Zeitschrift für Kultur, Geschichte und Politik der nordischen Länder* 38 (2006), 38-48.

<sup>7</sup> Van der Brugge and Voss 2007, as footnote 5.

were primarily framed as being the result of external influences (see below), the Right Liberal-Conservative government was now blamed, at least partly, for the state of the economy.

Third, both blocks had presented two different strategies for dealing with the economic challenges, i.e. there were specific policy alternatives to discuss in the election campaign. Basically the blue block proposed cuts in welfare spending, in particular in early retirement and unemployment allowances, while the Social Democrats together with the Socialist People's Party proposed (some) increase in taxes and in average weekly working hours (from 37 to 38 hours). The Social Democrats and the Socialist People's Party opposed cuts in welfare spending.

Put very crudely, after a decade of debating immigration Danish politics returned to a classic left-right political debate on the future of the Danish economy and welfare in the 2011 election campaign.

As noted by several observers, the framing of the economic challenges primarily focused on external causes, e.g. the 2008 world financial crisis and, although to a much lesser extent, the Euro-crisis (while the Euro is not the currency of Denmark, the Danish Krone is linked to the Euro with a virtually fixed exchange rate). Yet, while most economic experts agree that the government's tax and real estate credit policies substantially deepened the economic challenges, this was hardly discussed in the election campaign.<sup>8</sup>

Other possible issues did not surface much throughout the campaign. To mention one example, environmental policies and climate change were hardly debated.<sup>9</sup> Foreign policy issues were also absent from the campaign, despite Denmark being involved in the wars in Iraq, Afghanistan and Libya. This absence may to some extent be explained by the fact that the vast majority of parties supported the Danish participation in these wars.

<sup>8</sup> Andersen, Jørgen Goul: „Den klassiske fordelingskamp slumrer fortsat.“ In *Information*, September 15th 2011, 18.

<sup>9</sup> Rothenborg, Michael and Ellen Ø Andersen: „Klimaet bliver store tabersag i valgkampen.“ In *Politiken*, September 4th, 2011, 3.

In a similar vein, Denmark's EU-membership was hardly mentioned, despite an ongoing Euro-crisis and decisions by the government and the Danish People's Party to intensify border controls – in conflict with Schengen-rules on free movement. These decisions had aroused a heated debate in the early summer of 2011 in the Danish media and, even more so, in foreign media, in particular in neighbouring Germany. Likewise, support for the elderly played no significant role in this election campaign. In times of economic constraints, it would not have appeared realistic to ask for yet another increase in social benefits for the elderly as successfully done by the Danish People's Party several times before.

## II. The development of the campaign

Since it is the sole right of the prime minister to decide on which day elections are held, he has a clear advantage in terms of planning his own election campaign. He can prepare the battle ground. Clearly, prime minister Rasmussen tried to do so several times, but none of his attempts were particularly successful.

In his New Year's speech Rasmussen announced a major early retirement reform. Effectively, he suggested an end to early retirement (*efterløn*) which is a rather generous welfare scheme.<sup>10</sup> There is widespread agreement amongst economic experts that Denmark cannot afford such a generous scheme in the future. On the one hand, it is too costly to let people retire at a fairly young age (currently 60 years).

On the other hand, Denmark will most likely face a shortage of labour in the future. However, the announced reform plans did not help Rasmussen regain the power to set the political agenda. Some months later his government did in fact agree on a major early retirement reform in collaboration with the Danish People's Party, the Liberal Alliance and the Social Liberals. The fact that the latter party joined the agreement was seen as a major victory for the government. The agreement gave proof to the fact that the Social Liberals, when it comes to economic policy, have more in common with the

<sup>10</sup> See e.g. Eichhorst, Werner et al.: „Activation as a Socio-Economic and Legal Concept: Laboratorium the Netherlands“. In: Werner Eichhorst et al. (eds.): *Bringing the Jobless into Work?* Berlin 2008, 162-220.

bourgeois block in Danish politics, although they announced to support the Social Democratic prime-minister candidate, Helle Thorning-Schmidt.

However, the media quickly changed their focus from the early retirement reform in itself to what the Danish People's Party had required as „payment“ for accepting the reform: intensified border controls, in particular at the border to Germany. Both Germany and the EU reacted strongly to these plans, causing a media storm in numerous countries. Moreover, inviting the Social Liberals to the negotiations effectively backfired as it helped create the image of an economically reform-friendly party which, however, supported another prime minister candidate.<sup>11</sup>

Finally, prime minister Rasmussen, during the summer months, intended to announce a major plan to help the all but collapsed real estate market. However, the Social Democrats managed to spoil his strategy by countering his intended plan with a roughly similar plan even before he had had the chance to fully present his own plan to the public. The beginning of the campaign was characterized by an intense debate on the government's reform plans versus the plans by the two major opposition parties, the Social Democrats and the Socialist People's Party, published under the title „Fair Solution“ (the name being inspired by Harry Truman's „Fair Deal“).

Unlike the government, these two left parties proposed not to cut spending on early retirement and unemployment allowances, but to increase employees' working hours and corporate taxes as an exception in Danish politics.<sup>12</sup> Shortly before the election was called the Right Liberals engaged in a professionally planned negative campaign headed “Behind the façade”. The goal of the campaign was to attack the opposition and its reform plans. Normally, one would not expect an incumbent party to engage in such a distinctly negative campaign attacking first.

The campaign turned out to be yet another aborted attempt to set the agenda, as the media quickly picked up on whether the Right Liberals had breached copyright regulations when using a photo of the party leaders of the Social Democrats and the Socialist

<sup>11</sup> Steensbeck, Bjarne: „Vestager blev de utrygge vælgeres havn.“ In: *Berlingske*, September 16, 2011, 8.

<sup>12</sup> Steensbeck, Bjarne: „Vestager blev de utrygge vælgeres havn.“ In: *Berlingske*, September 16, 2011, 8.

People's Party without having asked for permission. During the election campaign the Social Liberals, supporting the Social Democratic prime minister candidate, and the Conservatives, the minor coalition member of Rasmussen's government, declared that in the years to come they would aim at not agreeing to policy changes which were not supported by both parties, despite the fact that they currently supported two different prime minister candidates. This can be seen as a smart strategic move.

On the one hand, the Social Liberals indicated to voters that they could have a new, Social Democratic prime minister who, if supported by the Social Liberals, would be forced to make concessions to a more liberal stand on economic policies. On the other hand, the Conservatives indicated to bourgeois voters that a vote on them would support a bourgeois prime minister candidate while diminishing the influence of the Danish People's Party.

Whether or not this strategy moved votes is obviously difficult to assess. As we will see in the next section, the Social Liberals almost doubled their vote share while the Conservatives lost more than half of theirs.

In the second week of the campaign, the issue of immigration shortly made it back to the headlines. The leader of the Socialist People's Party sent mixed signals as to whether they intended to liberalize the laws which, expectedly, immediately were used as a target for attacks by the bourgeois parties who own this issue. Given the common understanding that the red block lost government power in 2001 mainly due to its inability to deal with the immigration issue, sending mixed signals was also *gefundenes Fressen* for the media. Furthermore, a former successful shotputter and prominent candidate of the Liberal Alliance gained his 15 minutes of fame by stating that he, as a true liberal, supported polygamy.

Unlike some previous election campaigns, in general the 2011 campaign was not characterized by news coverage of blunders or personal issues. The tabloid newspaper BT tried to scandalize the Social Democratic prime minister candidate Helle Thorning-Schmidt and her husband Steven Kinnock (son of former British Labour-leader Neil Kinnock) because of their tax returns. This story quickly disappeared. BT had earlier attempted to scandalize Helle Thorning-Schmidt's tax returns. Later, it turned out that the accusations could not be substantiated.

In the final days of the campaign the economy regained its position as the most prominent issue. Another topic was a proposal by the socialist parties to implement a road



charge system similar to those in major cities in Norway, the Swedish capital Stockholm or the British capital London.

Since detailed content analyses of the campaign coverage have yet to be completed, it is difficult to conclude on the nature of the news coverage. Two aspects, however, are beyond discussion. The unprecedented number of party leader as well as prime minister candidate debates on the two major Danish television stations, DR and TV2, became tedious. At one point, everything was said and the remaining debates appeared to be repetitions. In addition, the Danish media focused relentlessly on opinion polls although they, seen over the entire campaign, did not show much change.

### III. The Election Result

On September 15, 2011 a record-high 88 percent turn-out of the approx. 4 million Danes eligible to vote for the Danish parliament, the *Folketing*, was reached. The results of the past five national elections are shown in Table 1. With a margin of less than 10,000 votes, the red block supported by the Social Liberals gained the majority of votes and thus there was a change of government. The new government is a three-party coalition government led by Social Democrat Helle Thorning-Schmidt, the first female prime minister of Denmark. Her coalition is joined by the Socialist People's Party and the Social Liberals. While the latter party can look back upon a long history of government power, the Socialist People's Party joined a government for the first time. As it was the case in the 1990s, the Social Democratic-led minority government is supported by the Unity List, the successor of numerous smaller left-wing parties which joined forces in 1989.<sup>13</sup>

<sup>13</sup> On previous governments and the parliamentary base, see e.g. Green-Pedersen, Christoffer and Lisbeth Hoffmann Thomsen: „Bloc Politics vs. Broad Cooperation? The functioning of Danish minority parliamentarism“. In: *Journal of Legislative Studies* 11 (2005:2), 153-169; Nannestad 2003, as footnote 2.

Table 1: Danish Folketing election results 1998-2011 (in per cent).

	1998	2001	2005	2007	2011
<i>Red block</i>	46.2	37.9	35.2	40.7	40.8
Social Democrats	36.0	29.1	25.8	25.5	24.9
Socialist PP	7.5	6.4	6.0	13.0	9.2
Unity List	2.7	2.4	3.4	2.2	6.7
<i>Centrist parties</i>	10.7	9.3	11.9	6.0	10.3
Centrum-Democrats	4.3	1.8	1.0	-	-
Social Liberals	3.9	5.2	9.2	5.1	9.5
Christian-Democrats	2.5	2.3	1.7	0.9	0.8
<i>Blue block</i>	42.7	53.0	52.6	53.3	48.9
Right Liberals	24.0	31.3	29.0	26.2	26.7
Conservative PP	8.9	9.1	10.3	10.4	4.9
Liberal Alliance*	-	-	-	2.8	5.0
Danish PP	7.4	12.0	13.3	13.9	12.3
Progress Party	2.4	0.6			
Centrum Democrats	4.3	1.8	1.0		
Other	0.3	0.0	0.3	0.0	0.1
Turnout	86.0	87.2	84.5	86.5	87.7

\* Successor of the New Alliance founded in 2007.

Note: Results do not include the votes cast in the election of the four Atlantic mandates (representing the Faeroe Islands and Greenland). Parties with less than 2 per cent of the votes do not gain representation in the *Folketing*.

Source: Wolfram Nordsieck: "Parties and Elections"

( <http://www.parties-and-elections.de/denmark2b.html>, 13. Dezember 2011)

As is evident from Table 1, the Social Democrats actually did not do well in the elections. In fact, they had their worst election result for more than 100 years (in 1905, they gained 21 per cent of the votes). Moreover, the Right Liberals are still the largest party which they have been since the 2001 elections. The running-mate of the Social Democrats for the past years, the Socialist People's Party, also received a much lower share of the votes than expected. For quite some time opinion polls indicated results in the region of 20 per cent. A third party that severely lost in the 2011 election is the minor coalition member of the now former bourgeois government, the Conservatives.

With 4.9 per cent of the votes, this party – founded in 1915 – had the worst result of its history and is now the smallest party in parliament.

Among the winners we find three parties: the Social Liberals, the Unity List and the Liberal Alliance. There are a number of likely reasons for their success. First, voting for the Social Liberals or Liberal Alliance was a way to support either Helle Thorning-Schmidt or Lars Løkke Rasmussen as prime minister while at the same time dragging them to the centre of Danish politics. The Unity List likely gained from the fact that the Socialist People's Party engaged in a close cooperation with the Social Democrats, implying a movement of the party to the right. In addition, some first analyses of the media coverage of the election campaign show that these parties gained limited but relatively favourable media attention.<sup>14</sup> Since we know that favourability of news coverage may influence the election result,<sup>15</sup> this may be a brick in understanding why these parties fared so well in the campaign.

In many ways Danish politics now seem to move back to its characteristics prior to the past ten years of bourgeois government supported by the Danish People's Party. Historically, it has been the centrist parties which effectively decided about the prime minister of Denmark.<sup>16</sup> As shown in Table 1, the Centre Democrats and the Christian Democrats, two centrist parties with a record of cooperating with both political blocks, have disappeared from Danish politics. However, another centrist party, the Social Liberals, has now regained a central party position in Danish politics. As the Liberal Alliance is a fairly young party, it is too early to say which path it will step on and whether, eventually, it may be understood as a centrist party. Undoubtedly the LA has little in common with the red block parties.

<sup>14</sup> Kildegård Quass, Lisbeth: „Vinderne blev båret frem af medierne.“ In: *Berlingske*, September 26, 2011, 3.

<sup>15</sup> Hopmann, David Nicolas et al.: „Effects of Election News Coverage: How Visibility and Tone Influence Party Choice“. In: *Political Communication* 27 (2010:4), 389-405.

<sup>16</sup> Elmelund-Præstekær, Christian et al.: „The Massive Stability of the Danish Multi-party System: A Pyrrhic Victory?“ In: Kay Lawson (ed.): *Political Parties and Democracy, Volume II: Europe*. Santa Barbara 2010, 121-137.

Finally, for the first time in its history the Danish People's Party, founded in 1995, lost mandates in an election. Unlike some other anti-establishment parties, the Danish People's Party did not suffer from its close cooperation with the government in the years following the 2001 election. It never formally joined government and a loss of 1.6 points to 12.3 per cent still results in a higher share of votes than its 2001 result (12.0 per cent) when the party began its cooperation with the government.<sup>17</sup> Forecasting how this party will fare in opposition is difficult. It is not unlikely that the party, with its media-compatible populist style, will gain a prominent opposition role similar to the Progress Party in Norway. After all, it is the second-largest opposition party with a considerable gap to the remaining opposition parties. Quite tellingly, Denmark did neither experience an extensive debate on its strict immigration policies nor debates similar to those in Norway and Sweden in the wake of the July 22, 2011 terrorist attacks in Norway. However, how the Danish People's Party will fare is too early to predict.

In short, on September 16, Denmark woke up to the news that Right Liberal Lars Løkke Rasmussen would resign as a prime minister and that the Social Democrat Helle Thorning-Schmidt would be appointed „royal formateur“ with the task of forming a new government. Subsequently, on October 3, Her Majesty Queen Margrethe II appointed the new government led by Helle Thorning-Schmidt. Following the rules laid out in the constitution, a formal inauguration vote in the parliament was not required. One day later, on the autumn opening of the *Folketing*, the first Tuesday in October, Helle Thorning-Schmidt gave her first government declaration as new Danish prime minister.

#### **IV. Challenges the new government faces**

During the past decade, the Danish public has experienced a two-party minority government with a loyal supporter. Together the three parties constituted a parliamentary majority. In times of economic prosperity, the Danish People's Party, despite having a welfare profile more in line with the red block, time and again supported tax cuts and

<sup>17</sup> See Table 1 and also Widfeldt, Anders: “A fourth phase of the extreme right? Nordic immigration-critical parties in a comparative perspective”. In: *NORDEUROPAforum – Zeitschrift für Politik, Wirtschaft und Kultur* 20 (2010: 1-2), 7-31.

economically liberal approaches to e.g. the health sector. In return, the party was „paid“ with still stricter immigration regulations and increased social benefits for the elderly. Such a smooth cooperation is not standard in Danish politics. For example, in the 1980s a bourgeois government repeatedly was overruled by an alternative majority, in particular on foreign affairs. Yet, the government did not resign but stayed in power.<sup>18</sup> Most likely, in the coming years we will again more often see shifting majorities. Prime minister Helle Thorning-Schmidt is presiding over a government consisting of three parties, including the centrist Social Liberals which in many policy areas are closer to the blue block than to the two other government coalition members. Moreover, this government is supported by the far-left Unity List, which had its best election result ever in the 2011 parliamentary election, three-doubling its share of votes (see Table 1). Although this party has no interest in forcing Thorning-Schmidt to step down, it most likely will behave costily. One of the few areas in which the Unity List and Social Liberals have a fairly common policy stance is immigration, where both are advocating a more liberal immigration policy. Yet, both the Social Democrats and the Socialist People's Party have largely subscribed to the strict immigration policies of the former government. Having lost government power to the blue block in three consecutive elections in the 2000s, the Social Democrats will try to avoid any signals that may imply a much softer stance on immigration than represented by the former government and the Danish People's Party. In sum, there are several areas of substantial dissent among the parties in the red block.

The major challenge for coming years, however, is the economy and how generous welfare schemes can be upheld. Despite some party differences, these welfare schemes are generally supported by most Danish parties (with the Liberal Alliance being most critical). In 2012 Denmark faces a national budget deficit of more than 80 billion Danish Kroner (approx. €11 billion), equalling 4.6 per cent of the gross national product. As mentioned, the Social Liberals joined forces with the former government, the Danish People's Party and the Liberal Alliance to shorten the unemployment allowance period from four to two years and to reform the early retirement scheme, effectively

<sup>18</sup> Nannestad 2003, see footnote 2.

dissolving the current scheme over the next years. The three remaining parties in the red block are all opposed to these changes.

As part of the coalition agreement the government stated that it will aim at reinvigorating the so-called Danish model of three party negotiations.<sup>19</sup> The goal is to find a common agreement with the trade unions and the employers' associations on how to lower production costs. The negotiations will include proposals to increase the number of weekly working hours, as proposed by the Social Democrats and the Socialist People's Party, and to lower taxes on work while increasing taxes on the financial sector. The government will most likely aim at finding a majority for such a reform on the bourgeois side of the parliament and thus avoiding to negotiate with the Unity List.<sup>20</sup> The goal will be to raise at least 15 billion Danish Kroner (approx. €2 billion).

In any case, public reactions to the coalition agreement were not favourable to the Social Democrats and the Socialist People's Party. Numerous central proposals of their „Fair Solution“ plan, such as increased taxes on the wealthy, had to be withdrawn as they were not supported by the Social Liberals, and numerous other campaign pledges cannot be fulfilled given the economic situation.<sup>21</sup> For example, on October 30 one of the two tabloids in Denmark, *Ekstra Bladet*, brought a front-page stating in grand letters „Broken promises: Helle's government achieves a new record“. These substantial differences in opinion between, on the one hand, the Social Democrats and the Socialist People's Party and, on the other hand, the Social Liberals may also explain why the negotiation of the coalition agreement took a long time, with the new government being presented to the public two and a half weeks after the elections.

Finally, it is likely that the new government will invest substantially more resources in education and research. This is what the government led by Social Democratic prime minister Poul Nyrup Rasmussen did in the 1990s and it helped in lowering the unemployment rate, in particular among young people.

<sup>19</sup> Regeringen: *Regeringsgrundlag: Et Danmark, der står sammen*. København 2011.

<sup>20</sup> Editorial. In *Berlingske*, September 28, 2011.

<sup>21</sup> For an overview of non-fulfilled pledges, see DR: „Se regeringens brudte løfte“, October 28, 2011 (<http://www.dr.dk/Nyheder/Baggrund/2011/10/28164410.htm>, Last visit: 13.12.2011).

## **V. Concluding remarks**

Arguably, the former bourgeois government and its supporters were lucky in the sense that they governed in a period of economic prosperity and budget surpluses. In this situation, it was fairly easy to implement policies satisfying all three parties and their voters despite differences in political programmes. These times are gone now.

On September 15, 2011 a unique era of Danish politics ended. A bourgeois minority government with a loyal right-wing supporter lost its majority in the *Folketing* elections. Danish politics has returned to a situation where centrist parties such as the Social Liberals effectively decide who is in government. Moreover, with the sluggish economy again being the top priority of politics, immigration could possibly lose its position as pivotal political issue. Whether that indeed will be the case remains to be seen.

## **Acknowledgements**

For their comments on an earlier draft of this paper I am indebted to Erik Albæk, Christian Elmelund-Præstekær and the anonymous reviewers.